

# 1999 Instructions for Form 541-ES

## Estimated Tax For Fiduciaries

### General Information

Fiduciaries that are required to make estimated tax payments for more than 200 taxable trusts may submit the estimated tax payment information on magnetic tape or composite listing. For additional information about submitting Form 541 estimate payment information on magnetic tape or composite listing, call (800) 852-5711.

For taxable years beginning on or after January 1, 1997, an electing small business trust (ESBT) may be a shareholder in an S corporation. An election made by the trustee under Internal Revenue Section (IRC) 1361 is considered to be an election for California purposes, and no separate election is allowed (California Revenue and Taxation Code (R&TC) Section 23800.5). Tax is computed at the highest rate under R&TC Section 17041. For taxable years beginning on or after January 1, 1998, the highest rate is 9.3% (R&TC Section 17731.5).

### A Purpose

Use Form 541-ES to figure and pay estimated tax for an estate or trust. Estimated tax is the amount of tax the fiduciary of an estate or trust expects to owe for the year after subtracting the amount of any tax withheld and the amount of any credits.

### B Who Must Make Estimated Tax Payments

Generally, a fiduciary of an estate or trust must make 1999 estimated tax payments if:

- Less than 80% of the estate's or trust's 1998 tax was paid by withholding; or
- Less than 80% of the estate's or trust's 1999 California adjusted gross income (AGI) will be wages subject to withholding; or
- Less than 80% of the estate's or trust's 1999 tax will be paid by withholding.

An estate or trust is not required to make 1999 estimated tax payments if:

- The tax for 1998 (after subtracting withholding and credits) was less than \$200; or
- The tax for 1999 (after subtracting withholding and credits) will be less than \$200.
- It is a decedent's estate for any tax year ending before the date that is two years after the decedent's death; or
- It is a trust that was treated as owned by the decedent and if the trust will receive the residue of the decedent's estate under the will (or if no will is admitted to probate, the trust primarily responsible for paying debts, taxes and expenses of administration) for any tax year ending before the date that is two years after the decedent's death.

For taxable years beginning on or after January 1, 1999, estates and trusts with adjusted gross income greater than \$150,000 must base their estimated tax on the lesser of 80% of their current year's tax or 105% of the prior year's tax.

If the estate or trust must make estimated tax payments, use the Estimated Tax Worksheet on the following page to figure the amount owed.

Real Estate Mortgage Investment Conduit (REMIC) trusts are not required to make estimate payments.

### C When to Make Your Estimated Tax Payments

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date. If an estate or trust does not pay enough tax by the due date of each of the payment periods, it may be charged a penalty even if it is due a refund when it files its income tax return. The following chart gives the payment periods and due dates.

For the period . . . . .	The payment due date is
Jan. 1 through March 31, 1999	April 15, 1999
April 1 through May 31, 1999	June 15, 1999
June 1 through August 31, 1999	Sept. 15, 1999
Sept. 1 through Dec. 31, 1999	Jan. 18, 2000

**Filing an Early Return in Place of the 4th Installment.** If an estate or trust files its 1999 tax return by February 1, 2000, and pays the entire balance due, then it does not have to make its last estimated tax payment.

**Annualized Option.** If the estate or trust does not receive its taxable income evenly during the year, it may be to its advantage to annualize the income. This method allows for the matching of estimated tax payments to the actual period when income is earned. Use the annualization schedule included with form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

**Farmers and Fishermen.** If at least 2/3 of gross income for 1998 or 1999 is from farming or fishing, the estate or trust may:

- Pay the total estimated tax by January 18, 2000; or
- File Form 541 for 1999 on or before March 1, 2000 and pay the total tax due. In this case estimated tax payments are not due for 1999. Attach form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, to the front of Form 541.

**Fiscal Year.** If the estate or trust files its return on a fiscal year basis, the due dates will be the 15th day of the 4th, 6th and 9th months of the fiscal year and the first month of the following fiscal year.

If the due date is a Saturday, Sunday or legal holiday, substitute the next regular work day for the due date.

### D How to Figure Estimated Tax

Use the Estimated Tax Worksheet and the 1998 Form 541 return as a guide for figuring the 1999 estimated tax payment.

#### Line instructions for the Estimated Tax Worksheet

##### Line 5 – Additional taxes

Enter any additional tax from:

- FTB 5870A, Tax on Accumulation Distribution of Trusts;
- IRC Section 644 tax on trusts;
- IRC Section 453A tax, relating to certain dispositions under the installment method; or
- IRC Section 641(d) on income attributable to S corporation stock held by an ESBT.

### Line 7 – Credits

For more information on credits you may claim, see the instructions for Form 541.

### E How to Use Form 541-ES Payment Voucher

There is a separate payment voucher for each due date. Please be sure you use the voucher with the correct due date shown on the right side of the voucher.

Fill in Form 541-ES:

1. Print the estate's or trust's name, the fiduciary's name and title, mailing address, and the estate's or trust's federal employer identification number (FEIN) in the space provided on Form 541-ES. Use black or blue ink. The scanning machines may not be able to read other colors of ink or pencil. Print all names and words in CAPITAL LETTERS. Print letters and numbers inside boxes. If your name or address is too long to fit in the boxes provided do not shorten your name or address. Instead, ignore the boxes and fit the information in the space provided.
2. Enter in the payment box of the voucher only the amount you are sending in. When making payments of estimated tax, be sure to take into account any 1998 overpayment that you chose to credit against your 1999 tax, but do not include the overpayment amount in the amount of your payment.
3. If part of the estimated tax from Form 541-ES is to be allocated to the beneficiaries per IRC Section 643(g), attach a copy of Form 541-T, California Allocation of Estimated Tax Payments to Beneficiaries, to Form 541-ES.
4. Make your check or money order payable to "Franchise Tax Board." Write the FEIN and "Form 541-ES 1999" on the check or money order. Mail your Form 541-ES and your check or money order to:  
  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0031
5. Keep a record of the payment.
6. **Fiscal year filers:** If you file your return on a fiscal year basis, be sure to fill in the month and year-end information.

### F Failure to Make Estimated Tax Payments

If an estate or trust is required to make estimated tax payments and does not, or if it underpays any installment, a penalty will be assessed (with certain exceptions) for that portion of estimated tax that was underpaid from the due date of the installment to the date of payment or the due date of the tax return, whichever is earlier. For more information, get form FTB 5805.

TAXABLE YEAR

CALIFORNIA FORM

**1999 Estimated Tax for Fiduciaries****541-ES**

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust

FEIN

Name and title of fiduciary

Address — number and street including PO Box or rural route

Suite no.

City, town or post office

State

ZIP Code

**Payment  
Voucher  
1**

Due April 15, 1999

Make your check or money order payable to "Franchise Tax Board." Write the FEIN number and "Form 541-ES 1999" on it. **Do not combine this payment with payment of your tax due for 1998.** Mail this voucher and your check or money order to: **541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

Amount of payment

File only if you are making a payment of estimated tax.

541ES99109

DETACH HERE

TAXABLE YEAR

CALIFORNIA FORM

**1999 Estimated Tax for Fiduciaries****541-ES**

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust

FEIN

Name and title of fiduciary

Address — number and street including PO Box or rural route

Suite no.

City, town or post office

State

ZIP Code

**Payment  
Voucher  
2**

Due June 15, 1999

Make your check or money order payable to "Franchise Tax Board." Write the FEIN number and "Form 541-ES 1999" on it. **Do not combine this payment with payment of your tax due for 1998.** Mail this voucher and your check or money order to: **541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

Amount of payment

File only if you are making a payment of estimated tax.

541ES99109

DETACH HERE

TAXABLE YEAR

CALIFORNIA FORM

**1999 Estimated Tax for Fiduciaries****541-ES**

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust

FEIN

Name and title of fiduciary

Address — number and street including PO Box or rural route

Suite no.

City, town or post office

State

ZIP Code

**Payment  
Voucher  
3**

Due Sept. 15, 1999

Make your check or money order payable to "Franchise Tax Board." Write the FEIN number and "Form 541-ES 1999" on it. **Do not combine this payment with payment of your tax due for 1998.** Mail this voucher and your check or money order to: **541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

Amount of payment

File only if you are making a payment of estimated tax.

541ES99109

1999 Estimated Tax Worksheet. Do not file – keep for your records.

1	Enter amount of adjusted total income you expect in 1999 . . . . .	1	
2	Enter income distribution deduction . . . . .	2	
3	Taxable income of fiduciary. Subtract line 2 from line 1 . . . . .	3	
4	Tax. Figure the amount by using the 1998 tax rate schedule . . . . .	4	
5	Additional taxes. See instructions . . . . .	5	
6	Total. Add line 4 and line 5 . . . . .	6	
7	Credits . . . . .	7	
8	Total. Subtract line 7 from line 6 . . . . .	8	
9	a Enter 80% (.80) (66 2/3% (.6667) for farmers and fishermen) of line 8 . . . . .	9a	
	b Enter 100% of the tax shown on your 1998 Form 541 (105% of that amount if the estate's or trust's AGI on that return is more than \$150,000, and less than 2/3 of gross income for 1998 or 1999 is from farming or fishing.) . . . . .	9b	
	c Enter the smaller of line 9a or line 9b . . . . .	9c	
10	California income tax withheld and estimated to be withheld during 1999 . . . . .	10	
11	Estimated tax. Subtract line 10 from line 9c. If less than \$200, no payment is required . . . . .	11	
12	Divide line 11 by 4. This is the amount of your required installment. Enter the result here and on each Form 541-ES voucher. See the instructions if you will earn the income at an uneven rate during the year . . . . .	12	

----- DETACH HERE -----

TAXABLE YEAR

# 1999 Estimated Tax for Fiduciaries

CALIFORNIA FORM

## 541-ES

Fiscal year filers, enter year ending: month \_\_\_\_\_ year \_\_\_\_\_

Name of estate or trust

FEIN

Name and title of fiduciary

Address — number and street including PO Box or rural route

Suite no.

City, town or post office

State

ZIP Code

**Payment  
Voucher  
4**

Due Jan. 18, 2000

Make your check or money order payable to "Franchise Tax Board." Write the FEIN number and "Form 541-ES 1999" on it. **Do not combine this payment with payment of your tax due for 1998.** Mail this voucher and your check or money order to: **541-ES UNIT, FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0031**

File only if you are making a payment of estimated tax.

Amount of payment

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Form 541-ES 1998